Audit of Recruitment Licence No. RL003/05 held by the Chairman of the Revenue Commissioners in the conduct of Appointment Processes for the position of Administrative Officer in 2012
Chapter 1 - Introduction and Background

1.1 Introduction
This report has been prepared under Section 43 (5) and Section 13 of the Public Service Management (Recruitment and Appointments) Act 2004.

The report provides an account of the audit of the Recruitment Licence granted to conduct external appointment processes in the Office of the Revenue Commissioners.

The Commission is committed to undertaking audits in a spirit of improvement and with the goal of sharing knowledge and best practice rather than focusing solely on compliance.

1.2 The Public Service Management (Recruitment and Appointments) Act 2004
Appointment processes to all positions within the remit of the Public Service Management (Recruitment and Appointments) Act 2004 are subject to Codes of Practice published by the Commission. The Codes set out the regulatory framework for such appointment processes and centre on five recruitment principles. Through its audit function, the Commission safeguards the standards established in the Codes of Practice and ensures compliance by the Licence Holder with the terms and conditions of its Recruitment Licence.

1.3 Office of the Revenue Commissioners
The mission of the Office of the Revenue Commissioners is to serve the community by fairly and efficiently collecting taxes and duties and implementing import and export controls.

The organisation has in excess of 5,700 staff, deals with almost 2.3 million personal and business taxpayers and is responsible for collecting over €34 billion per annum net in taxes and duties and for trade facilitation and frontier control. It is a highly decentralised organisation with offices in all parts of the country.

Within the Corporate Services Division, the Manpower, Planning and Recruitment Unit manages, inter alia, recruitment campaigns and internal promotions and has overall responsibility for the appointment of staff within the organisation.

1.4 Purpose of the Audit
The purpose of this audit is to confirm compliance with the terms and conditions of the Recruitment Licence held by the Chairman of the Revenue Commissioners to ensure that procedures are designed and operated in accordance with the Code of Practice.
1.5 Details of Work Undertaken and Areas Reviewed

The audit focused on reviewing the following two appointment processes, conducted during 2012, for appointment to positions as:

- Administrative Officer (AO) in Audit and Compliance (A&C)
- Administrative Officer (AO) in Information and Communications Technology (ICT)

The audit entailed an examination of the competition file for each of the above processes followed by a discussion with a staff member from the Manpower Planning and Management in Revenue.

1.6 Acknowledgements

The Commission would like to thank the personnel in Manpower Planning and Management in the Office of the Revenue Commissioners who gave their time and cooperation to this audit process.
Chapter 2 - Audit Findings - Appointment Processes

2.1 Introduction
All recruitment and selection in Revenue is conducted centrally in the Corporate Services Division by Manpower Planning and Management, which has responsibility for managing all stages of the appointments process from planning the campaign through to making the offer of appointment to candidates.

2.2 Overview of the appointment processes
The following information relates to the processes for the appointment of AO (A&C) and AO (ICT), which were both conducted in a similar manner. Where the processes differed in any way this has been noted.

Following receipt of sanction from the Department of Public Expenditure and Reform, Revenue advertised in June 2012 for the position of AO (A&C) and AO (ICT). Both positions were advertised on 15 June 2012 on Publicjobs.ie, Revenue.ie, in the national newspapers and in Foinse, as well as emailing all Revenue staff.

Candidate Information Booklet
Candidates were provided with an Information Booklet outlining details of the job description, essential entry requirements and the selection process. Details of an optional language test to assess the candidate’s ability to communicate effectively in Irish and English were outlined. Those who qualified at interview and established their proficiency in both languages were awarded an extra 6% of the total marks available at interview. The booklet also referred to the Commission’s Code of Practice and set out the conditions of service.

Job Description
Candidates were provided with details of the work involved for the AO (A&C) in Revenue where they would be expected to make a contribution to the continuous development of Revenue’s business intelligence and its risk management systems. AOs would also be expected to participate in Revenue’s technical training programme covering tax and customs law and procedures with the aim of providing technical skills to enable them to undertake the full range of Revenue work.

The range of functions associated with the role of the AO (ICT) was set out in the information booklet together with an appendix that provided detailed information on the skills and knowledge that candidates were required to demonstrate for a career in information and communications technology. Candidates were advised that they would be expected to make a commitment to ongoing training and upskilling, as well as personal development, in IT analysis, design and software development skills.
Application Process
The application form required candidates to provide details of their qualifications and employment record. Candidates also had to provide details of their key strengths and achievements, which they considered made them particularly suitable for the role, under the following headings:

- Communicating and Influencing
- Working to a high standard
- Analysis and Problem Solving
- Any other experience, involvements and/or special qualities relevant to the role. In particular the AO (A&C) was required to display a breadth and depth of requisite knowledge and ability (including ability to communicate effectively), whereas the AO (ICT) required a breadth and depth of technical skills.

Candidates were advised that the information provided would form part of a short-listing process and would also be used to help structure their interview, if appropriate. In this instance the interview board would question the candidate in detail about the information provided, with particular reference to the actions taken and the reasoning for doing so.

Applications had to be submitted by post to reach Revenue by the required deadline of 4 July 2012.

Selection Process
The information booklet set out the methods to be used to form a panel from which candidates may be selected for posts to include some or all of the following elements:

- Shortlisting of candidates on the basis of the information contained in the application form;
- Additional selection tools, e.g. cognitive tests, a preliminary interview; and
- An interview based on the essential competencies and experience required for the post that may include a presentation (topic to be identified when candidates are scheduled for interview).

Stage 1 Shortlisting Process
(i) AO (A&C)
A shortlisting board comprising 10 members, all internal Assistant Principals serving with Revenue, was convened to examine the 650 applications received. The board was briefed on their role in the process and the requirements of the AO role based on the essential criteria identified in the job specification to be used to shortlist candidates. They were provided with a scoring key on how to award marks under the headings on the scoring sheet and advised that reasons for the success or rejection of candidates must be recorded. At the outset in order to ensure consistency the group sat together to examine a random selection of 50 applications and discussed the assessment process and awarding scores. Then the board members worked
in teams of two over the period of a week to shortlist the applications in accordance with the pre-determined criteria. Both during, and at the end of the shortlisting process random audits of the successful and unsuccessful applications were examined by other teams in the group to check consistency. The board decided to shortlist 108 candidates for interview. Emails issued to all candidates advising them of the outcome of the shortlisting process. A copy of the shortlisting report was provided to those candidates who requested feedback.

(ii) AO (ICT)
There were four members, all Revenue staff, on the short-listing board convened to examine the 94 applications received. The board was briefed by the HR Unit and discussed the requirements of the role as set out in the candidate information booklet. Candidates were assessed on the basis of essential entry requirements and specific skills and experience required for the role. A scoring sheet to award marks under each of the pre-determined criteria was completed for each candidate together with a summary comment. Following the shortlisting exercise it was decided by the board to put forward 39 candidates to the interview stage. All candidates were advised by email of the outcome of the shortlisting process. A copy of the shortlisting report was provided to those candidates who requested feedback.

Stage 2 Interviews
(i) AO (A&C)
The two interview boards, each comprising one Principal Officer and two Assistant Principals from Revenue, received training in-house and were briefed in advance of the interviews. They were provided with the following documentation:

- Competencies – Interviewing Skills Programme
- Briefing on taking notes, good scoring practice, summary comments and legislative obligations.
- PAS/Revenue Booklet – Effective Interviewing Training Course Manual

The boards were also provided with an interview record sheet and score sheet for each candidate to include a summary comment. Candidates were awarded a score under each of the four headings identified for the role. 99 candidates attended for interview of which 40 were deemed to be suitable by the interview board. The successful candidates were placed on a panel to be appointed in order of merit. All candidates were advised by email of the outcome of the interview stage. Candidates who requested feedback were provided with a copy of their score sheet and summary comment completed by the interview board.

(ii) AO (ICT)
The interview board members for this process comprised of three Revenue staff - two Principal Officers from ICT and one Assistant Principal. The board members attended in-house training and received briefing on the process to be followed. The documentation outlined above was provided to them as well as the interview record sheet and score sheet for each candidate. The
interview for this position was based on the information provided in the application form together with a ten minute presentation by the candidate at the beginning of the interview. Candidates were given a choice of three topics to present to the board which was used to measure the candidate’s capacity to evaluate information and make appropriate recommendations. Scores were awarded on the presentation and under the other four headings identified for the role. 35 candidates were interviewed and the interview board placed six of those on the panel who were deemed to be suitable for the job. The outcome of the interviews issued to all candidates by email. Candidates who requested feedback were provided with a copy of their score sheet and summary comment completed by the interview board.

**Appointments**

**AO (A&C)**
Following the interviews held in September 2012 a total of 40 candidates were placed on the panel for this position. 24 candidates have been appointed to date. The remaining candidates on the panel have indicated a preference for a position outside of Dublin. Revenue has indicated that a new competition for AO (A&C) is being conducted in order to fill positions primarily in Dublin, however applications from those seeking positions outside Dublin will also be accepted to supplement the existing panel of candidates.

**AO (ICT)**
The six candidates who were deemed suitable at interview for these positions have all been appointed. Revenue propose to carry out a new campaign this year for the recruitment of AOs to work in the wide range of information technology roles available in the organisation.

**Review and Evaluation**
All stages of the appointment processes were carefully managed and reviewed throughout by Corporate Services to ensure consistency, particularly at the shortlisting stage. The MAC discusses the quality of candidates following competitions, particularly open competitions where the market has been specifically targeted as in the case of the AO campaigns.

**Requests for review**
Revenue has confirmed that there were no formal requests for review under Section 7 or Section 8 of the Code for either competition. One informal Section 7 request was received following the shortlisting of candidates for the AO (A&C) competition. A review was carried out and a written report provided to the candidate.
2.3 Conclusions

Probity

The principles established by the Commission in the Code of Practice are underpinned by the core values that define probity such as integrity, impartiality, fairness, reliability and ethical conduct. The Commission is concerned to nurture a values-based culture of trust, fairness, transparency and respect for all (Code of Practice 2.1)

The Principle of Probity encompasses all other principles and will be evidenced in every aspect of the process, through the Licence Holder’s overall adherence and respect for the terms of the Code of Practice, and respect for confidentiality and all legislative requirements.

The Commission is satisfied, in the main, that the recruitment and selection processes conducted by Revenue for the appointment of AO (A&C) and AO (ICT) were managed in a fair and impartial manner. It was found that the selection processes examined were designed and managed to ensure candidates were assessed against clear, transparent and relevant criteria, which is the core foundation of a values-based process.

Appointments made on merit

Appointment on merit means the appointment of the best person for any given post through a transparent competitive recruitment process where the criteria for judging suitability of candidates can be related directly to the qualifications, attributes and skills required to undertake the duties and responsibilities to the required standard. It is essential to ensure that the selection process does not provide unjustifiable advantage or disadvantage to any particular candidate or group of candidates (Code of Practice 2.2).
The Candidate Information Booklet provided to candidates at the outset of each competition set out clearly defined job descriptions and information relating to the role. The application forms identified the key skills required for the job giving candidates the opportunity to demonstrate their strengths and achievements for the purposes of shortlisting and interview as appropriate.

The Commission is satisfied that the assessment and selection of candidates was based on pre-determined criteria relevant to the essential requirements of the job. There was evidence that applications were considered on the basis of abilities, qualifications and suitability for each of the AO positions, at both shortlisting and interview stage, resulting in merit-based appointments of the best people for the positions advertised.

An appointments process in line with best practice

Best practice extends to all aspects of the appointment process, including defining job and person specifications, marketing the vacancy and selecting appropriate assessment mechanisms. It also includes providing training and supporting management arrangements to ensure the creation and maintenance of appropriate records (Code of Practice 2.3).

There was evidence of appropriate planning covering all aspects of the recruitment process with a focus on the requirements of the job and the skills needed, including pre-determined selection criteria, relevant documentation for candidates and suitable assessment mechanisms at both shortlisting and interview stage. Training and briefing, specific to the role, was provided to the selection boards involved in the processes together with appropriate supporting documentation.

The Code requires that fully documented records, which clearly support each stage of the process, are retained. This was found to be the case on examination of the competition files.

The Commission is satisfied there were effective management systems in place to ensure that policies and practices comply with the Code of Practice. The Commission notes the commitment by the Licence Holder to ongoing review and evaluation as an integral part of the recruitment process.

A fair appointments process applied with consistency

A fair appointments process applied with consistency means “the selection process adopted and the manner in which it is applied must be undertaken with real commitment to equality of opportunity. Office holders have an obligation to treat candidates fairly, to a consistent standard and in a consistent manner (Code of Practice 2.4).

The Commission notes the procedures in place, namely appropriate candidate information, job related selection criteria, adherence to relevant legislative
requirements and job specific training, all of which support a fair and consistent appointment process.

The assessment tools used at all stages for the selection of candidates were based on clearly defined criteria underpinned by the requirements of the job thereby promoting the principle of equality of opportunity.

**Appointments made in an open, accountable and transparent manner**

*Transparency in the appointment process and the openness with which candidates are dealt with by office holders will enhance candidate confidence. Open and active communication on the process and the basis for assessment is essential. There should also be a real commitment to offering meaningful feedback to candidates who seek it (Code of Practice 2.5).*

Clear and timely communication with candidates throughout the processes was in evidence together with comprehensive information in relation to the selection and assessment processes being used. The Commission notes feedback was provided to candidates on request following the shortlisting and interview stage.

There was evidence that the appointment processes were fully documented at all stages and records were retained and available for audit. Candidates were advised of the review procedures in line with the Code however the Commission notes that no formal requests for review were received in relation to either process.

The Commission is satisfied that all those involved in the recruitment and selection of candidates are committed to conducting the appointment process in an open, accountable and transparent manner.
Chapter 3 – Audit Conclusions

Conclusions

The Office of the Revenue Commissioners was issued with a Recruitment Licence in 2005 and has used this licence on a regular basis for the external recruitment of staff to the organisation. Based on the findings of this, and other audits, the Commission is satisfied that, in general, the Licence Holder is in compliance with the terms and conditions of the licence. The office has clear and comprehensive guidelines and procedures in place for the management of the appointment process which supports a values-based culture of fairness and transparency for all.

The Commission notes the general policy of Revenue in using internal staff members to sit on shortlisting and interview boards for appointments to the organisation at this level. The reasoning for this is twofold; the size of the organisation means there is access to a large pool of potential board members and to curtail the costs involved in bringing in external board members. The Commission is satisfied that there are sufficient management arrangements in place, such as tailored briefing and in-house training, as well as regular monitoring and review both during and after the process to ensure transparency and openness.

The Commission acknowledges the genuine commitment of all those involved in the recruitment and selection of candidates to the organisation in adhering to the Code principles at all stages of the process. The Commission also notes the continued efforts of the Licence Holder to maintain and develop standards of good practice through ongoing review and evaluation.

The Commission, as a regulator, must be mindful of the efficient use of resources and the cost-effectiveness for the organisation when conducting large scale recruitment campaigns to make appointments to the public service. In response to this issue Revenue has indicated to the Commission that, while these recruitment campaigns are ‘resource intensive’, the Office Holder is of the view that the short-term investment has long-term benefits for the organisation. With regard to the recruitment of AOs, Revenue’s aim is to target a particular candidate pool with a specific skill set to meet the requirements of the job.
Chapter 4 - Commission Commentary on AO Recruitment

In its regulatory role the Commission has a responsibility for ensuring that there is order in the public service jobs market.

One of the key elements of the Public Appointments Service Management (Recruitment and Appointment) Act 2004 was the introduction of a greater degree of flexibility into appointments practices. Since its enactment, Government Departments and Offices may choose to carry out their own recruitment following an application to the Commission for a Recruitment Licence or may ask the Public Appointments Service (PAS) to recruit staff of their behalf.

While this permitted scope for greater autonomy and flexibility for Office Holders, it may, potentially, have some unintended consequences. For instance, inefficiencies may arise if Office Holders are targeting the same or overlapping candidate pools within a short time span. This would increase the overall cost of appointments to the public sector as the management of these appointment processes can be expensive and very resource intensive. The Commission is also keen that Office Holders are not competing with each other for the same pools of candidates.

There may also be some possible drawbacks for candidates as well. In the case of AO recruitment a balance must be struck between providing opportunities to candidates with the knowledge, experience and skills on the one hand and causing unnecessary candidate fatigue on the other involving additional costs, time and effort attending a multiplicity of selection tests and interviews.

In an effort to oversee and regulate open recruitment one of the terms and conditions attached to a Recruitment Licence issued by the Commission requires that “the Licence Holder must inform the Commission and any other body or bodies specified by it of the details of the proposed recruitment in such a manner as the Commission may prescribe.”

The Commission is conscious that in addition to the AO vacancies advertised by the Office of the Revenue Commissioners in 2012, the Public Appointments Service also conducted an appointment process for AOs on behalf of other Government Departments and Offices.

The Commission considered whether or not these two separate processes have created any disorder in the jobs market for positions in the public service. In this regard it noted that the skills areas targeted by PAS were considerably different to those sought by the Office of the Revenue Commissioners. PAS sought to fill vacancies in the following disciplines:-

- Human Resources (HR)
- Law
- Accountancy
- Economics
The Office of the Revenue Commissioners sought applications from candidates with a background in the following:-

- Audit and Compliance (A&C)
- Information and Communications Technology (ICT)

While it accepts that there may have been some candidates common to the appointment processes run by the two organisations, the Commission is, by and large, satisfied the two organisations were seeking staff with quite discrete skills and from quite different backgrounds.

The Commission has, however, reviewed the practices currently in place for going to the open market for recruitment under licence. It notes, in particular, that Offices and Departments are required to seek sanction from both Votes and Expenditure Section of the Department of Public Expenditure and Reform as well as this Department’s Recruitment Policy Unit.

The Commission is of the view that, prior to an appointment process that is likely to attract large numbers of candidates, Offices and Departments should take care to ensure that they are cognisant of plans that may be in place in other public service bodies to avoid duplication in costs and to minimise the prospect of Departments/Offices competing for the same candidate pool.